

**EXECUTIVE SECRETARIAT**  
**ROUTING SLIP**

TO:		ACTION	INFO	DATE	INITIAL
1	DCI				
2	DDCI				
3	EXDIR				
4	D/ICS				
5	DDI				
6	DDA				
7	DDO				
8	DDS&T				
9	Chm/NIC				
10	GC				
11	IG				
12	Compt				
13	D/OLL				
14	D/PAO				
15	D/PERS				
16	VC/NIC				
17	NIO/ECON		X		
18	D/OGI/DI		X		
19	ES/ <i>mary</i>		X		
20					
21					
22					
SUSPENSE		_____ Date _____			

Remarks

\_\_\_\_\_  
Executive Secretary

18 April 86  
Date

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**THE WHITE HOUSE  
WASHINGTON**

**CABINET AFFAIRS STAFFING MEMORANDUM**

Executive Registry

86-

1437X/1

**Date:** 4/17/86 **Number:** 317,093 **Due By:** -----

**Subject:** Economic Policy Council Minutes

March 24, 25 and April 4, 1986 Meetings

ALL CABINET MEMBERS	Action	FYI		Action	FYI
Vice President	<input type="checkbox"/>	<input type="checkbox"/>	CEA	<input type="checkbox"/>	<input checked="" type="checkbox"/>
State	<input type="checkbox"/>	<input checked="" type="checkbox"/>	CEQ	<input type="checkbox"/>	<input type="checkbox"/>
Treasury	<input type="checkbox"/>	<input checked="" type="checkbox"/>	OSTP	<input type="checkbox"/>	<input type="checkbox"/>
Defense	<input type="checkbox"/>	<input checked="" type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
Justice	<input type="checkbox"/>	<input checked="" type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
Interior	<input type="checkbox"/>	<input checked="" type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
Agriculture	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Poindexter	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Commerce	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Svahn	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Labor	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Chew (For WH Staffing)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
HHS	<input type="checkbox"/>	<input checked="" type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
HUD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
Transportation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
Energy	<input type="checkbox"/>	<input checked="" type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
Education	<input type="checkbox"/>	<input checked="" type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
Chief of Staff	<input type="checkbox"/>	<input checked="" type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
OMB	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Executive Secretary for:		
<u>CIA</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	DPC	<input type="checkbox"/>	<input checked="" type="checkbox"/>
UN	<input type="checkbox"/>	<input checked="" type="checkbox"/>	EPC	<input type="checkbox"/>	<input type="checkbox"/>
USTR	<input type="checkbox"/>	<input checked="" type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
EPA	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
GSA	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
NASA	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
OPM	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
SBA	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
VA	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

**REMARKS:**

Attached for your information are the minutes of the March 24, 25 and April 4 Economic Policy Council Meetings

**RETURN TO:**

☒ Alfred H. Kingon  
Cabinet Secretary  
456-2823  
(Ground Floor, West Wing)

☐ Don Clarey  
☐ Rick Davis  
☐ Ed Stucky

Associate Director  
Office of Cabinet Affairs

DCI  
EXEC  
REG

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MINUTES  
ECONOMIC POLICY COUNCIL

April 4, 1984  
1:00 p.m.  
Roosevelt Room

Attendees: Messrs. Baker, Baldrige, Brock, Pierce, Herrington, Miller, Whitehead, Darmstadter, Burnley, Naylor, Smith, Kingon, McAllister, Gibson, Gray, Hobbs, Hoffman, Moore, Mulford, Rodman, Smart, Stucky, and Wallis.

1. OECD Ministerial

Undersecretary Wallis, noting that he had just returned from the OECD Executive Committee sessions, stated that the OECD Ministerial promises to be an harmonious meeting, in part because the economies of the OECD nations are in good condition. He stated that the draft communique does not convey the emphasis the U.S. would like placed on trade, failing to specifically cite the need to include services, intellectual property, and investments in the new GATT round. Mr. Wallis expressed some surprise at the willingness of OECD participants at the Executive Committee Sessions to discuss the problems of agricultural subsidies; in previous sessions the EC representatives refused to discuss agriculture. He noted that in private conversations, representatives of EC countries supported the actions taken by the EC during the Spanish and Portuguese accessions.

Mr. Wallis also stated that the Executive Committee discussed the importance of passing along the benefits of the oil price declines to consumers. He noted there was some confusion regarding the U.S. position on oil price declines, but stated that the recent White House statement assisted him in assuring the OECD Executive Committee that the U.S. believes the free market should determine oil prices. He stated that many OECD Executive Committee participants argued that the Baker Initiative does not go far enough in assisting LDCs, because there is not enough funding. Both Secretary Baker and Mr. Wallis emphasized the importance of structural reform within the LDCs to the Baker Initiative.

The Council discussed the importance of seeking a standstill and a rollback of protectionism. Mr. Smith pointed out that a standstill would permit OECD nations to substitute legal barriers for illegal barriers and stated that seeking a standstill rollback is the only approach that will produce progress. Mr. Wallis reported that France is likely to resist restrictions on tied aid credits.

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Minutes  
Economic Policy Council  
April 4, 1986  
Page Two

The Council also discussed the U.S. position on oil price declines. Secretary Baker suggested that the U.S. position is that the decline of oil prices is very helpful to U.S. and world economic growth; we recognize the adverse effects on the domestic oil industry, and express sympathy and concern for their plight; however, we will not work with OPEC or OPEC nations to establish oil prices. Secretary Baker suggested that if assistance to the domestic oil industry is desired, in his opinion the best means would be to repeal the windfall profits tax and deregulate natural gas. Mr. Whitehead suggested that our expression of concern should also encompass LDC oil producing nations. Mr. Wallis pointed out that the decline in oil prices makes it easier for OECD nations to remove internal structural barriers to economic growth.

## 2. Economic Summit

Undersecretary Wallis stated that the Economic Summit in Tokyo will cover many of the issues raised at the OECD Ministerial. He briefly described the format and logistical preparations. He stated that in the first session, each Head of State will discuss the major problems facing his country's economy. He noted that the Heads of State will have a free form session in which to raise topics of personal interest. He noted that Prime Minister Thatcher is likely to discuss the problems of an aging population. He stated that one of the topics the Sherpas is going to suggest to the President is agriculture; the problems that U.S. and EC subsidies are presenting, and the common political motivation for the subsidies.

Mr. Wallis stated that Prime Minister Nakasone wishes to stress the common values of personal, political, and economic freedom shared by the Summit nations. Mr. Wallis also noted that the Tokyo Summit will be his fourth meeting and stated there has been a remarkable evolution of thought over that time. He noted that at the early Summits, President Reagan and his belief in the free market and supply-side incentives were perceived as out of date, now these principles and policies are emulated by the other nations.

Mr. Wallis stated that the results of the Summit will likely include an endorsement of the Baker Initiative and a call to strengthen the international trading system. He noted that everyone is extremely interested in the idea of international monetary reform.

Secretary Baker pointed out that he intends to simply state at the IMF/World Bank Meetings and the OECD that the President has

# CONFIDENTIAL

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Minutes  
Economic Policy Council  
April 4, 1986  
Page Three

asked him to determine if a meeting regarding international monetary reform would be worthwhile. He noted that the President has asked for a response by December.

Mr. Wallis stated that the Japanese may raise a proposal for a "Human Frontiers" program, the exact nature of which is not entirely clear at this time. Some members expressed some skepticism about the motive for the program, cautioning that it may be a commercial venture. Other members suggested that such a program, particularly if directed at basic science, could be very helpful.

Secretary Baldrige suggested that raising agriculture at the Summit would be very helpful. He noted that it is properly a Summit issue, in large part because we have not been able to make progress on the issue at a lower level. Secretary Baker suggested that the President raise the issue at this Summit, but wait until the next Summit to make it a major item for discussion. Mr. Darman suggested that we should approach agriculture not just as a trade issue, but also as a social policy issue, as it is perceived in the EC.

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